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# *Annual Report 2006*

## *Board of Funeral Services*

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# *Annual Report*

Board of Funeral Services

## **Board Membership**

The Board of Funeral Services was established by the *Funeral Services Act* in 1976 to succeed the Board of Administration, which had a history dating back to 1914.

The current legislation, the *Funeral Directors and Establishments Act*, requires that the Board be composed of thirteen members, eight funeral directors and five public persons. All members are appointed by the Lieutenant-Governor-in-Council.

### **MEMBERS OF THE BOARD OF FUNERAL SERVICES**

	<b>2006</b>		<b>2007</b>	
<b>Chair</b>	Patrick McGarry	<i>Ottawa</i>	William Kiteley	<i>Sault Ste. Marie</i>
<b>Vice-Chair</b>	William Kiteley	<i>Sault Ste. Marie</i>	Alison Knight*	<i>Toronto</i>
<b>Executive Member</b>	Victoria Vidal-Ribas*	<i>Toronto</i>	Kirk Elliott	<i>North Bay</i>
	Kevin Daudlin	<i>Toronto</i>	Kevin Daudlin	<i>Toronto</i>
	Ronn Dodge	<i>Forest</i>	Ronn Dodge	<i>Forest</i>
	Karie Draper	<i>Toronto</i>	Chris Ferguson*	<i>Toronto</i>
	Kirk Elliott	<i>North Bay</i>	Robert Hubbert	<i>St. Catharines</i>
	Chris Ferguson*	<i>Toronto</i>	Robert Oliphant*	<i>Toronto</i>
	Alison Knight*	<i>Toronto</i>	Kevin Palin	<i>Toronto</i>
	Donald Sanderson	<i>Burlington</i>	Harry Rath	<i>Belleville</i>
	Wayne Smith	<i>Peterborough</i>	Wayne Smith	<i>Peterborough</i>
	Cathy Taylor*	<i>Toronto</i>	Cathy Taylor*	<i>Toronto</i>
	David Wilhelm*	<i>Milton</i>	David Wilhelm*	<i>Milton</i>

\*Denotes Public Member

### **BOARD STAFF**

**Registrar**  
Joseph Richer

#### **Manager, Inspections & Investigations**

René Brakel

#### **Inspectors**

Randy Balon  
Michelle Crogale  
Ken Singh

#### **General Legal Counsel**

Steinecke Maciura LeBlanc

Donald Posluns - Barrister & Solicitor

#### **Discipline Committee**

#### **Independent Legal Counsel**

Alan Bromstein – Barrister & Solicitor

#### **Manager, Licensing & Administration**

Susan Beck

#### **Coordinator Administrative Services**

Renée Toleck / Vicki McCoy

**Administrative Bookkeeper**  
Marlen Weiler

#### **Professional Competence Officer**

Vicki McCoy (Acting)

#### **Bilingual Administrative Assistant**

Claude Civil

#### **AUDITOR**

Harris and Wright

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# *Our Mission*

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The Mission of the Board of Funeral Services (the Board) is to regulate the provision of funeral services and transfer services in accordance with the *Funeral Directors and Establishments Act* (the 'Act') in order that the public interest may be served and protected.

## ***Our Corporate Goals and Values***

- ◆ Protecting the interests of the consumers of Ontario by establishing, implementing, and maintaining high standards of practice, professional expertise and ethics in the provision of funeral services and transfer services in accordance with the *Act*
- ◆ Supplying information to consumers about their rights
- ◆ Developing, implementing and evaluating an ongoing plan to effectively accomplish the goals and objectives of the Board
- ◆ Developing and implementing educational programs for funeral service and transfer service providers
- ◆ Consulting with stakeholders in order to ensure their needs and interests are identified
- ◆ Developing recommendations to the Government on legislation, regulation, policy and practices

The Minister of Government Services retains responsibility for Ontario's consumer protection legislation and regulations and oversees the quality of services provided by the Board.

# *Message From the Chair*

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2006 has been a year in which the Board has performed its duties under a cloud of impending regulatory change that will fundamentally alter the work of the Board and licensees. I am pleased to report that while working towards preparing for a new and changed Bereavement Sector in the near future, the Board's focus on its current regulatory responsibilities and consumer protection mandate was maintained – we have "Stayed the Course" as our Board has done for over 92 years. I will hit only on a few highlights from the year.

The Board continued its involvement in the consultation process on the *Funeral, Burial and Cremation Services Act, 2002* (FBCSA) and the accompanying regulations, making submissions with a consumer and health focus.

New consumer outreach initiatives were investigated and for the first time the Board attended consumer information shows, such as the Women's Health Matters Forum. The Board also committed to taking part in the 2007 Ontario Smart Consumer Calendar.

The implementation of a new information technology infrastructure (database) and Web site, which allow licensees to renew their personal licences on line, was a significant achievement, as was the release of the Board's *Funeral Service Guide to Pandemic Planning*, a joint venture with the Funeral Service Association of Canada.

Two new public members have provided new insight to the Board, as no doubt will the three newly elected funeral director members who will join the Board in 2007.

The Board also lent assistance to licensees in the matters involving the reduction in the GST and refunds owing on prepayment funds held with the Royal Bank of Canada.

Through its Audit, Finance and Risk Committee the Board focused on analyzing the possible risks it faces and this year it developed a strategy to address the unlikely event of a depletion of the Compensation Fund.

The close of 2006 saw the amendments required to the *Funeral, Burial and Cremation Services Act, 2002* pass First Reading in the Ontario Legislature. The Board will continue to provide input and its opinion to the Ministry of Government Services until the Regulations are completed and the FBCSA is proclaimed.

This report is one of my final duties as a Board member. During my six years on the Board, there have been many new initiatives to enhance the value of our professional licences and the high-level of protection for the consumers of Ontario requesting funeral or transfer services. Being able to "Stay the Course" for all that the Board of Funeral Services has worked for and represented in the past, is in my opinion, an accomplishment. Indeed, the fact that a number of new projects were able to be implemented during this extremely uncertain and difficult to manage time, is credit to the hard work and dedication of the Registrar, Board Staff and Board Members.

It has been an honour and a privilege – personally and professionally – to serve on the Board and to work with such caring and dedicated professionals.

Respectfully submitted,

*Patrick McGarry*  
**Chair**



# *Message From the Registrar*

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The paramount issue facing the sector continues to be the impending *Funeral, Burial and Cremation Services Act, 2002* ("FBCSA"). Despite the fact it has not yet been proclaimed, the "transition" has effectively been manifesting itself for some time, as stakeholders ready themselves to hit the ground running.

The FBCSA will have significant operational implications for the Board of Funeral Services. The implementation of a new information infrastructure (database and Web site) will allow us to not only provide better service in terms of allowing the on line renewal of licences, it will also accommodate the various new personal and business licences anticipated under the FBCSA. It will also allow us to better use our Web site as an information portal for licensees and consumers.

The decision to delay the creation of a new regulatory body that would oversee the entire sector until sometime after proclamation of the FBCSA will no doubt create challenges for the two regulators that will share the responsibility of enforcing one Act. The funeral and cemetery regulators will no doubt work closely to ensure there is consistency in the approach to enforcement.

To promote consumer protection and awareness, the staff attended several consumer shows this year. The staff's professional approach and presentation was welcoming to consumers who generally are not comfortable with the subject of death. More shows are scheduled for the coming year.

Building a stronger relationship with licensees will also be imperative for a smooth transition to the FBCSA. Taking part in our first "tradeshow" allowed us to meet licensees in a less formal environment and to discuss the issues they may be facing, particularly the proposed legislative changes. We would like to thank the Ontario Association of Cemetery and Funeral Professionals for allowing us to take part in its two-day event. We look forward to other similar opportunities in the future.

The Board is pleased that the Government is proceeding with a process similar to that which the Board has advocated with respect to the development of future education requirements. There is still much work to be done and the Board and I look forward to a constructive process. In preparing for the Ministry's education development process, the Board hosted a meeting between representatives of the Board, the Ontario Association of Cemetery and Funeral Professionals and the Ontario Funeral Service Association, which showed that there is a high level of agreement on the basic competencies required for the various individual licences. We were encouraged by the discussions.

The staff continues to work hard supporting the Board, consumers and licensees. In addition to its licensing and enforcement activities, the staff researched two key issues in 2006. The first involved additional interest earned on trust funds paid to business owners by the Royal Bank of Canada. The payments involved contracts dating back to 1994 and several thousand payments. The second issue involved the impact the reduction of the Goods and Services Tax would have on prepaid contracts currently in force. In both cases, the Board established guidelines to assist licensees.

The merger of Service Corporation International and Alderwoods Group appears to be going through with limited impact in Ontario. The merger will see Service Corporation International now operate over 40 funeral homes and transfer services in Ontario.

I would like to thank the members of the staff for their continued dedication and support as we introduced new systems and the Board for its guidance and support. In particular, I would like to thank Patrick McGarry for his leadership and commitment as Chair in 2006.

*Joseph Ricker*  
**Registrar**

# *2006 Business Plan Achievements*

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The Board believes that in order to carry out its mandate and achieve its goals and vision, it must focus on the four "Strategic Outcomes":

- ◆ Maintaining High Levels of Consumer Protection
- ◆ Advancing Service Excellence Through Professional Development
- ◆ Increasing Public Awareness
- ◆ Managing Uncertainty

The Strategic Outcomes drive the Board's activities for the year and provide a framework for setting annual targets. Highlighted below are some key achievements this year.

## ***STRATEGIC OUTCOME 1 - Maintaining High Levels of Consumer Protection***

Maintaining high levels of consumer protection requires the Board to continue to efficiently carry out site inspections and ensure high levels of compliance. In addition, it must handle consumer inquiries, and complaints in an effective and timely manner. Effective management of the Compensation Fund is important for continuing to provide financial protection for consumers in the event of the mishandling of prepayment funds.

### *Inspections Keep in Step*

The Inspection Team carried out 213 inspections, exceeding its goal of 200 for the year. The team produced a list of the top 10 compliance issues and recommended ways to correct each.

### *Complaint Process Continues to Improve*

The Board continues to mediate complaints, having mediated approximately 25 percent of the complaints considered in the year. In addition, matters are handled promptly. With the exception of three complaints that involved very complex issues, on average a decision or resolution was made within 68 days of the receipt of the complaint, which included the licensee average response time of 16 days.

### *Healthy Compensation Fund*

No claims were made to the Compensation Fund in 2006 and the Fund continues to maintain a healthy balance and a diversified portfolio, with a current market value of \$2.04 Million.

### *Involvement in Development of New Legislation*

The Board remained vigilant on the legislative front, making submissions to the Ministry of Government Services regarding draft regulations, made under the *Funeral, Burial and Cremation Services Act, 2002* (FBCSA), released for public comment.

## ***STRATEGIC OUTCOME 2 - Advancing Service Excellence Through Professional Development***

The Board believes that consumer protection is best provided when supported by a professional development program that continuously raises industry professionalism and knowledge. The Board has reviewed funeral service education in Ontario and has developed an implementation plan based on the recommendations in the report.

### *Preceptor Training Program*

Over 170 funeral directors have taken the Board's Preceptor Training Program, which is designed to train those who train aspiring funeral directors. Delivered three times in 2006, the program continues to receive high praise from licensees. The Board is pleased that Saskatchewan has purchased the program and will deliver it for the first time in 2007.

## *Successful Professional Development*

PD 2006 Toronto received very positive comments from the over 360 funeral directors who attended. The program also included a session on the FBCSA.

## *Proactive Communications with the Profession*

The Board published three newsletters, which included special updates on the *Funeral, Burial and Cremation Services Act, 2002*. Board representatives also attended several meetings of provincial and local professional associations, including a tradeshow where Board staff attended to allow licensees to ask questions in a more comfortable atmosphere.

## *Active Participation in Regulation Development*

The Board recommended to the Minister of Government Services a process to develop the education requirements under the FBCSA. In preparation for the education development process, the Board also hosted a meeting with representatives from the Ontario Association of Cemetery and Funeral Professionals and the Ontario Funeral Service Association to discuss the competencies necessary for the various individual licensees under the FBCSA. There appears to be a very high level of agreement regarding the competencies.

## *Pandemic Planning*

With the assistance of the Funeral Service Association of Canada, the Board published the *Funeral Service Guide to Pandemic Planning* in Ontario, which was distributed to every funeral director in Ontario and post to the Board's Web site.

## **STRATEGIC OUTCOME 3 - Increasing Public Awareness**

The Board of Funeral Services believes that increased public awareness and education ultimately lead to increased levels of consumer protection. Increasing the profile of the Board, and educating consumers about the need to deal with duly licensed funeral establishments or transfer services will continue to be a key area of focus.

### *Consumer Shows*

For the first time, the Board attended consumer shows to promote awareness of the Board and consumer protection. With an attractive booth display and a team of knowledgeable staff, the Board attended four consumer shows this year. Overall, the Board's presence was well received by consumers. The banners that form the backdrop for the Board's display are also available for use by stakeholders promoting consumer protection.

### *Consumer Access to Information & the Board Made Easy*

The Board has published two one page pamphlets entitled: *Arranging a Funeral: What You Need to Know*, and *Prearranging a Funeral: What You Need to Know*. The pamphlets contain similar information to that contained in the larger print booklets of the same name.

### *Web Site Enhancements Improve Communications*

The Board launched its renovated Web site. The site will include new features for consumers, but more importantly for licensees, who will soon be able to renew their licences on line.

### *Consumer Calendar*

Another first will be the Board's contribution to the Ministry of Government Services Smart Consumer Calendar, which promotes consumer awareness and raises awareness of over 15 consumer protection agencies. The Board has committed to taking part in the Ministry's 2007 calendar. Over 250,000 copies of the calendar are published and circulated to Ontario consumers.

### *French Language Services*

The Board is committed to providing services in French. In addition to attending to both consumer and licensee inquiries in French, the Board's Web site, annual report, newsletters and various forms are all available in French.



## **STRATEGIC OUTCOME 4 - *Managing Uncertainty***

Pending legislative reform and the possibility of the creation of a single Delegated Administrative Authority for the entire Bereavement Sector, the Board believes the key to its ongoing success will be maintaining a focus on its mandate and operational delivery. The Board is periodically revisiting and, if necessary, adjusting its goals to ensure that it is on track in achieving its Strategic Outcomes. The Board is also committed to maintaining ongoing communications with staff and the profession at large.

### *No Loss of Focus on Current Mandate and Operational Delivery*

The goal of the Board was to maintain numbers of inspections and quality of service. In 2006, the inspection team carried out 213 inspections, and the program received top marks in licensee surveys.

### *Facilities Secured*

With the impending legislative reforms on the horizon, the Board had to make the difficult decision to renew its lease or find a new home, with the prospect of a single regulator to be created in the very near future. Once the government signaled that it was not looking to create a single regulator within the first few years after the proclamation of the new legislation, the Board was confident the best decision would be to renew in its current location for a five year term.

### *Board Accountability Strengthened*

The Audit, Finance and Risk Committee continued to review processes to ensure effectiveness, efficiency and proper accountability. The Committee reviewed the Board's position regarding the unlikely event of a catastrophic event depleting the Compensation Fund and made recommendations to the Board and the Compensation Fund Committee. The Committee and the Board as a whole supported the plan to address such an unlikely event through the levying of fees as provided for in the existing legislation and debt financing until such fees were collected.

### *Ongoing Communication with the Profession*

The Board kept the profession informed of ongoing initiatives through regular newsletters and bulletins.



# *Board Committee Updates*

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The Board of Funeral Services has established seven Committees or Teams, which together enable the Board to carry out its mandate and strive towards achieving the Strategic Outcomes of its business plan:

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>◆ Discipline Committee</li><li>◆ Compensation Fund Committee</li><li>◆ Complaints Committee</li><li>◆ Licensing Committee</li></ul> | <ul style="list-style-type: none"><li>◆ Audit, Finance and Risk Committee</li><li>◆ Communications and Long Range Planning Committee</li><li>◆ Inspection Team</li><li>◆ Licensing and Administration Team</li></ul> |
|---|--|

While the activities of each Committee may contribute more directly to one or two specific Strategic Outcomes in the Annual Business Plan, it is the combined efforts and cooperation of the Committees and the Board that has enabled the organization to achieve its greatest success. The following are the reports of each Committee's findings, activities and accomplishments in 2006, as reported by the respective chairs.

## **DISCIPLINE COMMITTEE - Ensuring Rights of Consumers**

### *Mandate*

The Board is committed to ensuring its licensees act professionally at all times to ensure that consumers' rights are protected and that their needs are met. The Board's Discipline Committee considers allegations of professional misconduct or incompetence against funeral directors. The allegations can be referred to the Discipline Committee by the Complaints Committee, the Executive Committee, or the Board itself.

The Discipline Committee follows established procedures for hearings and is advised by independent legal counsel. The Board is represented by legal counsel and the funeral director has the right to be represented by legal counsel as well. The Discipline Committee's decisions may be appealed to the Licence Appeal Tribunal ("the Tribunal"), which is independent from the Board.

This report also covers related matters where the Registrar entered a form of agreement with the licensee or took some other form of administrative action.

### *Cases Heard in 2006*

In 2006, the Discipline Committee heard two cases, both leading to findings of professional misconduct.

In the first case, based on agreed facts, a funeral director pleaded guilty and was found guilty by the Discipline Committee of professional misconduct as a result of issuing three different proof of death statements and writing a false and misleading letter to an insurance company about the next of kin. The Committee ordered: the funeral director be reprimanded; a licence suspension of one month; and a fine of \$2,000. The funeral director is also prohibited from supervising interns or co-op students for two years, and must attend the next Professional Development program.

In the second case, based on agreed facts, a funeral director pleaded guilty and was found guilty by the Discipline Committee of professional misconduct as a result of the misappropriation of prepayment funds. The Committee ordered: the funeral director be reprimanded; a licence suspension of 6 months; and a fine of \$1,000. The funeral director is also prohibited from supervising interns or co-op students for two years and must attend the next Professional Development program.

Among other restrictions, the funeral director may not act as a managing director of a funeral establishment, nor can the funeral director own, operate or control a funeral establishment or transfer service for 5 years after the funeral director's licence is restored. The funeral director has appealed the penalty to the Licence Appeal Tribunal; the appeal has not yet been heard.

*Related Matters*

In related matters, the Board obtained undertakings from five funeral directors. Three undertook to resign their funeral director licence and to never reapply for licensure with the Board. Two of these also surrendered their business licences. Following a consumer complaint, two other funeral directors undertook to, among other things, amend their business practices, refund monies to consumers and compensate the Board for some of its expenses.

*Wayne Smith*

**Chair**



## **COMPENSATION FUND COMMITTEE – *Compensation, it's a matter of principle***

### *Mandate*

The Compensation fund Committee administers the Prepaid Funeral Services Compensation Fund, which provides compensation to consumers when they have suffered a financial loss because their prepayment funds were mishandled. All claims must be supported by documentation, such as proof of payment.

### *Claims*

The Committee is pleased to report that in 2006 no claims were filed against the Fund. It is the first time since its inception that this has occurred.

### *Assessing Risks*

The Committee considered the question of what to do if there were multiple claims that resulted in a complete depletion of the Compensation Fund. The Committee, with the assistance of the Audit, Finance and Risk Committee, considered a variety of options, including purchasing insurance to cover the Fund in the unlikely event that such a catastrophic event would occur. After considering the various options and the advantages and disadvantages of each, the Committee accepted the Audit, Finance and Risk Committee's recommendation to allow the Fund to grow and if necessary, to levy fees to begin to replenish the Fund. In light of the Fund's ability to levy fees, it would no doubt be able to bridge its needs through financing, either from the Board or other means.

### *Voluntary Payments to the Fund*

The Committee assessed the need to accept voluntary payments to the Fund. The payments are made by licensees voluntarily for prepaid contracts where the beneficiary is believed to be 120 years of age and cannot be located, and payments of refunds where the beneficiary's personal representative cannot be located. The payments will be tracked in case someone does surface to claim the monies.

### *Managing the Fund*

The Committee meets regularly to review the Fund's portfolio to ensure its assets are secure and well positioned for the economic climate. The full Board met with the Trustee to better understand the proposed investment strategy for the coming year. With assets valued at \$2.04 Million, the Fund is healthy and invested in a balanced portfolio. The financial statements of the Fund are included in the Board's Annual Report.

The Committee would like to thank the Board for its support and a very special thank you to members of the Audit, Finance and Risk Committee and the staff for their support and guidance in managing the affairs of the Fund.

*Bill Kiteley*

**Chair**

## **COMPLAINTS COMMITTEE**

### *Mandate*

The mandate of the Complaints Committee is to consider and adjudicate consumer complaints regarding a licensee's conduct.

### *About the Complaints*

Most complaints have a common thread of misunderstanding caused by lack of communication with the legal representative. Licensees must ascertain early the person "in charge." From my professional experience I know that licensees often make incorrect assumptions that eventually lead to difficulties. It goes far beyond simply asking if the deceased left a will and the name of the estate trustee (executor/executrix). Families often become very secretive about family disagreements and may not always offer the correct information.

Licensees are urged to establish a reasonable procedure or protocol to help ascertain the person in charge of the funeral arrangements. The Board has published a few newsletter articles about this topic to assist licensees. It is important to communicate with family members to make certain everyone is informed about who has been identified as the person in charge.

This year, the Complaints Committee considered several complaints involving licensees caught in the middle of family battles, in some cases even the police had to be called in. Clear communication by the licensee identifying the individual(s) from whom she/he will be taking direction and the basis for that determination can often help the parties to better understand the situation and likely diffuse problems early.

A second major problem continues to be the handling of personal belongings and the safe-keeping of jewellery. By now most firms should have a policy and procedure about recording the belongings as they come onto the premises. Such policies should include, among other things, a detailed inventory of the articles received and returned to the legal representative. Staff training and adherence to the policy once implemented is imperative. Staff not following the business' own policy or procedure has resulted in complaints to the Board.

The third issue involves the fact that more firms are relying on "consultants" or "interpreters" to assist in serving Ontario's diverse population. Usually, the consultant/interpreter is not licensed, but operates under the direction and responsibility of a licensee. It is important to keep that relationship clear in the minds of the consultant/interpreter, the licensee and the consumer. At no time is the consultant/interpreter in charge of the arrangement process, nor does she/he replace the licensee in the eyes of the Board. The consultant/interpreter should be used to assist as a matter of convenience with issues of language or customs, but the authority to act as a licensee does not pass to them at any time.

### *Learning from Complaints*

We continue to use the Board's newsletter as a means of both educating and notifying licensees of issues that have come before the Complaints Committee. This year the Committee published an article recommending improved policies around tracking personal effects (belongings) and provided sample documents for businesses to use. The documents may be downloaded from the Board's Web site.

The Committee also reprinted a good article dealing with the complexities and challenges around cremation. The piece reinforces the need for licensees to put in place strong policies around, among other things, authorization, identification, informed consent, personal possessions, medical devices, direction and disposal of the remains. Licensees are recommended to review it to help assess their own practices.

Based on a Committee recommendation, the Professional Development 2007 Toronto program will include a session covering the legal issues around taking direction from the correct person.

### *Complaint Summary*

The Board received twenty two complaints between November 1, 2005 and October 31, 2006. Of these, twenty were dealt with in 2006 and the Committee will consider the remaining two in 2007. The Committee also dealt with five complaints from 2005. The following is a breakdown of the disposition of the twenty five complaints considered this year.

In favour of licensee	13
In favour of complainant	5
Moderated by Board staff	6
Withdrawn	0
Referred to discipline	1

Either party to the complaint may appeal the decision of the Complaints Committee to the Licence Appeal Tribunal ("LAT"); three appeals were filed this year. One of the appeals has been heard and the LAT upheld the Committee's decision. The other two hearings are pending.

### *Resolved Disputes*

The Committee is pleased that the staff was able to resolve approximately 25 percent of the complaints it considered this year. The Committee reviews every resolution to ensure that it is appropriate given the circumstances; it accepted all resolutions presented in 2006. The resolutions resulted in the consumers receiving refunds or price reductions for a total value of \$2,254 or an average of \$451.

### *High Level of Service*

While the 90 day average time to deal with a matter exceeded the Committee's goal of 80 days, three cases in particular were very complex and took a great deal of time to investigate. Eliminating the three particular files would result in an average of 68 days. The Committee is pleased with the turnaround time, which includes the licensee's average response time of 16 days.

The Committee believes that Ontario's consumers needing funeral services are generally being treated fairly and in a professional manner. The noted examples are exceptions not the rule. As a whole, the Committee found fault with the conduct of licensees in fewer cases this year.

*Donald Sanderson*

**Chair**

## LICENSING COMMITTEE

### *Mandate*

The work of the Committee includes reviewing the training processes to ensure their relevance to funeral service education in Ontario. In addition, the Licensing Committee oversees the internship program, examinations and professional development programming. Matters referred by the Registrar with respect to candidate licensing eligibility also appear on the Committee's agenda from time to time.

### *Training Preceptors and Practical Examiners*

The Board delivered its Preceptor Training Program three times in 2006 with over 170 individuals now having taken the program. The program continues to receive top marks from participants.

The Board is pleased that the Funeral and Cremation Services Council of Saskatchewan has purchased the Preceptor Training Program and intends to deliver it in January 2007.

Our Practical Examiner Training & Qualification Program continues to evolve to provide better training to those assessing candidates' competency in embalming. In 2006, for the first time, interns were permitted to attempt their practical examination once they had embalmed fifty bodies, which was well received by both the candidates and the examiners. In light of the success of the initiative, the Committee will continue the practice in the future.

### *Professional Development Program*

The Professional Development program offered in 2006 was very well received by participants. For the first time we tracked participant attendance using a scanning system, which significantly decreased the time to register participants while maintaining good records of participant attendance.

To celebrate the profession's heritage and in recognition of its commitment to service, the Board again presented Legacy Awards to those in attendance who have been licensed for fifty or more years. In 2006, the Board recognized Paul Illman (1956) and Gordon Laundry (1955).

### *Licensing Examinations and Student Awards*

The licensing examinations remain appropriately challenging for those eligible to write. Exam questions are reviewed regularly to ensure fairness and to ensure they reflect changes in funeral service in Ontario.

We were delighted to present awards to the Funeral Service Education students who achieved the highest scores on the Licensing Exam on their first attempt. Congratulations to John Andrews from Collège Boréal and to Emily Shepherd from Humber College.

### *Ongoing Discussions with Other Regulators*

Meetings of the International Conference of Funeral Service Examining Boards and Canadian Regulators have given us the opportunity to share ideas and solutions to improve funeral service training and licensing in North America. Through the meetings, I have come to see that Ontario is a leader in many ways.

### *Looking Forward to 2007*

**Intern Support Program** - The Committee is pleased to deliver a new intern support program to assist interns during their internship. The program will allow interns to share their experiences and help one another to find ways to overcome challenges they face to enhance the experience and to achieve their requirements. The support group workshops will be held in various cities across the province.

**Assessing Embalming Skills** - The Committee will assess the possibility of moving to a program whereby an appropriately trained preceptor would assess the intern's embalming abilities rather than carrying out a practical examination. There are, however, many issues to consider before any such initiative could be implemented.

I would like to acknowledge the able and enthusiastic efforts of your Licensing Committee Members and the staff for their efforts and support throughout the year.

Best wishes for 2007.

*Karie Draper*  
Chair

## AUDIT, FINANCE AND RISK COMMITTEE

The Audit, Finance and Risk Committee held 8 meetings in 2006. The Committee continued work begun in 2005, assessing a variety of risks the Board currently faces or may face in the future.

Of particular note is the potential impact of the implementation of the *Funeral, Burial and Cremation Services Act, 2002* and the creation of a new Delegated Administrative Authority, and the associated risks and costs of winding down the Board of Funeral Services. The Board confirmed with the Ministry of Government Services that it is appropriate to use a planning horizon of a minimum of three to five years for financial and business decisions; that by using such a time horizon, the Board will be fulfilling its fiduciary obligations to its stakeholders. Having established this time horizon, the Committee was then able to oversee and recommend the renewal of the office lease.

The Committee assisted the Compensation Fund Committee in identifying and assessing a course of action in the unlikely event of a catastrophic event that depletes the Compensation Fund. The Board and Compensation Fund Committee agreed with the Committee's recommendation that the borrowing powers of the Board were sufficient to address this risk; that alternative risk containment strategies were not practical or available at a reasonable cost.

The Committee continued to monitor changes to the financial reporting structure implemented in 2005 and is satisfied that the new structure provides more effective and useful reporting to the Board. The staff of the Board is highly capable and demonstrates good care in the financial management of Board resources.

The Committee provided financial and controllership oversight for the assessment and introduction of a new data base and provided for external audit review of the data and systems conversion. For details of the implementation, please refer to the report from the Manager, Licensing and Administration.

Looking ahead to 2007, the Committee will focus more specifically on the development of a comprehensive risk map for the organization.

*Alison J. Knight, FCA*

**Chair**

## **COMMUNICATIONS AND LONG RANGE PLANNING COMMITTEE**

As part of its communications functions, the Committee turned its focus to consumer outreach by attending consumer shows in Toronto, Waterloo and Ottawa. To ensure a professional and tasteful image, the Committee and the staff developed banners with a consumer information focus to provide the display backdrop.

The Board will allow stakeholders to use the banners when they were not in use by the Board. The banners were rented three times during the year. The nominal rental fee will go to replacing the banners in the future. It is another way the Board is helping licensees to promote consumer awareness.

The Committee oversaw the creation of a pair of consumer pamphlets, as an alternative to the larger print booklets the Board developed in 2005.

The Board published the *Funeral Service Guide to Pandemic Planning* in conjunction with the Funeral Service Association of Canada. The Board appreciates the FSAC's support in the venture. A copy of the Guide was distributed to every licensee in the province.

For the first time, the Board decided to participate in the Government of Ontario's 2007 Smart Consumer Calendar. It is an exciting opportunity for the Board to promote informed choice for funeral consumers.

From a planning perspective, the Committee worked with the staff to prepare the goals and targets for the Board's 2006/2007 year, which were subsequently adopted by the Board.

The Committee is pleased with the success of the consumer outreach in 2006 and looks to build on the success in 2007.

*Kevin Daudlin*  
**Chair**

## **COMPLIANCE 2006 – The BOFS Inspection Team**

### *The Inspection Team*

2006 was a busy and productive year for the BOFS Inspection Team. In addition to its regular enforcement activities, the team assisted the Board to prepare submissions to the Government regarding the proposed regulations under the *Funeral, Burial and Cremation Services Act 2002* (FBCSA) and it reviewed an extraordinary number of business licence applications – new businesses and changes of ownership. The Inspection Team remained focused on the Board's consumer protection mandate.

### *Inspection Details for 2006*

The Inspection Team carried out 213 inspections, exceeding its goal of 200. The Inspection Team uncovered over \$20,000 owing to consumers, which is slightly less than the previous year. The Inspection Team did not observe any significant new trends in 2006 and the number of compliance items identified during inspections saw a marginal decrease from 5.7 to 5.6. The Inspection Team focused on documents (contracts & price lists) to ensure that they were consumer friendly and easy to understand. The average number of contract and price list issues rose slightly from 2 to 2.5 items over 2005. In most cases, the licensee quickly remedied the non-compliance items.

The Inspection Team updated the generic inspection letter and altered the process to encourage licensees to review their insurance coverage to ensure it covered employee theft/fraud with the aim of reducing the risk of claims to the Compensation Fund.

### *Inspection Data Summary*

	<u>2006</u>	<u>2005</u>
Inspections	213	218
Routine	190	200
Tightened inspections scheduled	20	24
New premises or ownership and misc.	15	12
Premises closed	8	6
Refunds to consumers	\$20,095.89	\$24,845.04
Average compliance items identified	5.6	5.7
Items relating to price lists/contracts	2.5	2

### *Inspection Team's Progress – Risk-Based Inspections*

The majority of the inspections that are scheduled on a tightened rotation are the result of businesses opening or closing or changes of ownership. Of those where the inspections were the result of a tightened schedule, there appears to have been a decrease in the average number of compliance items observed, from ten to just over seven. While still above the provincial average of 5.6, there is a noticeable improvement. We will continue to track the data to measure the effectiveness of the program.

### *Investigations for 2006*

The team conducted 23 investigations, 19 of which were successfully closed in 2006. The investigations involved a variety of issues including: prepayment funds that had been misappropriated, inappropriate licensee behaviour, inappropriate holding out of a facility as a funeral establishment, businesses running into financial difficulty, removal of deceased without proper authorization and improper solicitation by a funeral director.

Some of the investigations resulted in referral to the Discipline Committee, while others were resolved by the funeral director entering an undertaking to carry out activities or training or resigning their licence. Others resulted in cautions and some required no action. Approximately 52 percent of the investigations were initiated by information received from licensees.

### *Stakeholder Education & Outreach – Hitting the Top 10 Compliance Issues*

The team also reviewed inspection results to identify the “top 10” compliance issues and produced a newsletter article outlining the top 10 and suggesting ways to readily correct each. The Inspection Team anticipates that the article will allow licensees to be proactive and do a self-analysis of their operation before the next inspection.

The team also wrote an article outlining ways licensees can handle disbursements on guaranteed prepaid contracts and another on transferring prepayment funds to or from another provider. The first piece should assist licensees to mitigate the risk of losses on disbursements (items purchased from another provider for which the licensee is acting as agent for the purchaser) while making the contract clearer for the consumer. The latter should reduce the confusion some licensees are having when transferring monies from one provider to another.

The Inspection Team attended its first “tradeshow” where it set up a booth where licensees could ask questions of the team members in a more comfortable atmosphere. The Ontario Association of Cemetery and Funeral Professionals Convention gave the team an opportunity to speak to numerous attendees and answer questions about funeral service and the new legislation. The event was a success and the team received very favourable feedback from the attendees.

In 2006, the Inspection Team represented the Board at several consumer information shows and events, answering consumer questions and promoting consumer protection and awareness.

### *Customer Service – Balancing Consumer and Licensee Needs*

The Inspection Team provides quality service through its balanced approach to inspections and continues to be proactive on compliance issues, while maintaining a constructive relationship with licensees. In 2006, the Inspection Team reviewed the 2005 inspection quality assurance survey results and found some minor issues identified by licensees, which revolved mostly around Board policy. Overall, the surveys show that licensees support the program as it is structured. The Inspection Team remains open to suggestions from the profession on how to improve the inspection/compliance process to be less intrusive and more useful as an educational tool without compromising consumer protection.

The Inspection Team evaluated solutions implemented to address licensee comments made in previous surveys. In most cases, the team noted that none of the comments for which remedies were implemented reappeared in 2005, which would indicate a high level of success. A good portion of the solutions fell into the category of educating the licensee further and providing them additional information.

The team continually receives positive comments supporting the inspection program and staff, with one licensee commenting that, “**the inspector was extremely professional and always accommodating and friendly.**” **The inspections are not done in an intimidating fashion and they never give the stuffed shirt impression.** **The inspector is a true professional at all times and extremely fair.**” We believe licensees appreciate the opportunity to provide feedback and the availability of the inspection team as a resource. The Inspection Team appreciates the feedback from licensees.

In 2006, the Inspection Team made the inspection letters available electronically to the licensees and now accepts responses via e-mail, thereby making it easier for licensees to respond. While the length of time it takes licensees to respond has remained fairly static over the past few years, it is only slightly above the 30 days they are given to respond. It is also common for licensees who require significant operational changes to request additional time, which could help to account for the surplus time.

#### *Enhancing the Board's Database*

During the latter part of 2006, the Inspection Team assisted in joint application design sessions for the development of the Board's new computer database and the testing of the system. The system will allow the inspectors to access the BOFS database remotely from the internet, something the team is looking forward to.

#### *In Store for 2007*

For 2007, the Inspection Team will focus on a number of issues. The team will continue to use the risk-based approach for scheduling its inspections.

The Inspection Team is looking forward to implementing and using the new computer database, which will provide the benefit of more data for reporting and assessing licensees' history, as well as the effectiveness of the inspection program itself.

In addition to its regular activities, the Inspection Team will no doubt be involved in reviewing anticipated draft regulations made under the *Funeral, Burial and Cremation Services Act, 2002*. The team is dedicated to helping licensees through the transition to the new laws; it will assist in the development of sample contracts and price lists for licensees.

*René Brakele*

**Manager, Inspections & Investigations**

## LICENSING AND ADMINISTRATION TEAM

The Licensing and Administration Team handles the licensing operations for the renewal of approximately 3,200 personal and business licences. As the first point of contact for the Board, the team processes requests from consumers, professionals, the government and other stakeholders.

We were pleased to have the role of the Professional Competence Officer filled in June 2006, which has allowed us to return our focus on key education initiatives.

### *Licensing / Registration*

The team again met its target of processing the approximately 3,200 licence applications within 30 days of the application deadline. It took on average 2 days to process the renewal of a funeral director's licence (from the receipt of the application to the issuing of the licence) and on average 8 days to process an establishment licence, with the majority of applications having been processed within a few weeks of the year's end.

The team continues to work with the managers of businesses to ensure the renewal forms are completed properly and accurately.

### *Proposals / Orders / Conditions & LAT*

Compared to the number of licensees the number of Proposals and Orders or Conditions placed on licences continues to be very low. In most cases, licensees accept proposals placing conditions, thereby eliminating the need for a hearing before the Licence Appeal Tribunal (LAT).

Of the sixteen proposals and one order issued by the Registrar, only one appeal was filed to the LAT and is scheduled to be heard early in 2007. Two appeals launched in 2005 were withdrawn in 2006 and the Registrar's proposal carried out.

The conditions placed on any licence are monitored to ensure compliance.

### *Education & Professional Development*

In 2006, 361 funeral directors attended the Board's 69<sup>th</sup> annual Professional Development program to meet their legal professional development obligations. Licensees, who are required to attend the program once every five years, provided very positive feedback about the program. The following are just a few of the many positive comments from attendees:

**"Lots of good ideas, seeds, hope. Very solution focused." "A lot of very good information. Excellent communication. Good forum." "Very informative and a lot to think about. Thanks for a great presentation and certainly an eye opener."**

The Preceptor Training Program was delivered three times in 2005/06 and garnered positive feedback from participants. Support and interest is encouraging as we move toward our goal of having all those who train interns take the program.

For the first time, we allowed interns to attempt their embalming practical examination as soon as they had completed the required fifty embalmings. The move was well received by both the interns and the examiners and helped to reduce the pressure of delivering the exams in a few short weeks.

Another first, was the Board's attendance at Humber College's Career Day along with several recruiting funeral home firms. It was a great opportunity for the Board staff to meet prospective interns and to answer any questions about the Board and the internship and licensing processes.

### *New Information Technology Infrastructure Means Better Service*

The Board has developed and implemented a new information technology infrastructure. The new database and Web site were developed over many months with assistance from every member of the staff. The new system incorporates more functionality, allowing licensees to renew their personal licences on line and our Web site to be more user friendly for both consumers and licensees.

The new Web site will allow us to further develop the individual consumer and licensee portals to serve as a better resource for all. The on line public register will also be operational in 2007 and will allow the user to search a business or individual to find out any information that is available on the Board's public registers. The team continues to work on the development of the Web site to take advantage of the technology to help deliver services more effectively and efficiently to consumers and the profession.

Publications available on the Web site include all of the newsletters published over the past several years, which provide regular updates on the impending *Funeral, Burial and Cremation Services Act, 2002*.

*Goals and Objectives 2007*

The Licensing and Administration Team is looking forward to completing the implementation of the information technology infrastructure and further developing the Web site.

The team is also looking forward to implementing support mechanisms for interns and preceptors, providing resources to help ensure successful internships.

*Susan Beck*

**Manager, Licensing & Administration**

## REGISTRATIONS AND LICENCES ISSUED IN 2006

Personal Licences	<u>2006</u>	<u>2005</u>
Funeral director - active	1,879	1,869
Funeral director - inactive	733	688
Funeral director - conditional	19	18
Funeral director - resigned	3	0
Funeral director - revoked	0	0
Funeral director - suspended	1	1
Funeral director - emeritus	55	55
Funeral director - re-instated	6	3
Registered Transfer Service Operators	4	5
Labour Mobility Transfer	2	1
Business Licences	<u>2006</u>	<u>2005</u>
Funeral Establishments	564	567
Offering Services to the Public	560	563
Not Offering Services to the Public	4	4
Transfer Services	37	35
Conditional	12	1
Revoked	3	1
Refused	0	1
New funeral establishments	5	6
New transfer services	3	1
Changes of ownership	22	10
Closed funeral establishments	7	7
Closed transfer services	2	1
Exam attempts	<u>2006</u>	<u>2005</u>
Licensing Exams: December	20	17
Licensing Exams: June	90	90
Active/Inactive Exam	1	0
Re-instatement Exam	2	3
Legislative Exam	2	1
Out of country candidate	0	1

# *Financial Outlook*

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Harris & Wright audited the Board of Funeral Services and the Prepaid Funeral Services Compensation Fund. They reported that the financial statements present fairly, in all material respects, the financial position of the Board as at October 31, 2006. Complete financial statements are available from the Board of Funeral Services upon request.

## **HARPIJS & WRIGHT LLP**

CHARTERED ACCOUNTANTS

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### **AUDITORS' REPORT**

To the Directors of  
**Board of Funeral Services**

We have audited the balance sheet of the Board of Funeral Services as at October 31, 2006 and the statements of revenue and expense - operations & special initiatives, surplus, and cash flows for the year then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluation of the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at October 31, 2006 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario  
November 24, 2006

*Harris & Wright*  
Chartered Accountants

**BOARD OF FUNERAL SERVICES**  
 (Under the *Funeral Directors and Establishments Act, 1989*)

**BALANCE SHEET**  
**October 31, 2006**

Comparative  
2005

**ASSETS**

**Current assets:**

Cash and bank	\$ 19,350	\$ 14,929
Sundry receivables (Note 4)	13,740	8,847
Prepaid expense	36,553	27,840
	69,643	51,616
<b>Investments - at cost plus accrued interest (Note 3)</b>	<b>2,025,803</b>	<b>2,029,819</b>
<b>Capital assets - at cost: (Note 2)</b>		
Office furniture and equipment	206,928	203,337
Leasehold alterations	21,353	21,353
	228,281	224,690
<b>Less - Accumulated amortization</b>	<b>140,244</b>	<b>155,685</b>
	88,037	69,005
	<u>\$ 2,183,483</u>	<u>\$ 2,150,440</u>

**LIABILITIES**

**Current liabilities:**

Accounts payable and accrued liabilities	\$ 124,662	\$ 67,301
Deferred licence fee revenue (Note 2)	211,835	232,656
	336,497	299,957
<b>Surplus</b>	<b>1,846,986</b>	<b>1,850,483</b>
	<u>\$ 2,183,483</u>	<u>\$ 2,150,440</u>

**BOARD OF FUNERAL SERVICES**

**STATEMENT OF REVENUE AND EXPENSE - OPERATIONS & SPECIAL INITIATIVES**

Year ended October 31, 2006

			<b>Comparative 2005</b>
<b>REVENUE</b>			
Funeral Directors' licence fees	\$ 393,769	\$ 384,750	
Funeral Establishments' licence fees	830,155	823,278	
Transfer Services' licence fees	27,116	22,665	
	1,251,040	1,230,693	
Duplicate certificates	400	285	
Student registration fees	5,650	4,600	
Student examination fees	15,250	14,750	
Professional development	94,882	90,160	
Investment revenue	98,281	106,782	
Administration fees - Compensation Fund	7,034	6,401	
Sale of Directories, Acts and Miscellaneous revenue	5,428	6,259	
Reimbursement - Ministry of Government Services	5,057	8,079	
	1,483,022	1,468,009	
<b>EXPENSE (Schedule A)</b>			
Salaries, benefits and compensation	\$ 712,441	\$ 676,153	
Transportation and communication	235,707	222,773	
Services	153,423	287,319	
Supplies and equipment	222,889	209,318	
	1,324,460	1,395,563	
<b>EXCESS OF REVENUE OVER EXPENSE</b>	158,562	72,446	
<b>SPECIAL INITIATIVES (NOTE 6)</b>	162,059	72,924	
<b>EXCESS OF EXPENSE OVER REVENUE AFTER SPECIAL INITIATIVES</b>	<u>\$ (3,497)</u>	<u>\$ (478)</u>	

**BOARD OF FUNERAL SERVICES**

**STATEMENT OF SURPLUS**

Year ended October 31, 2006

			<b>Comparative 2005</b>
<b>BALANCE, beginning of year</b>	\$ 1,850,483	\$ 1,850,961	
<b>EXCESS OF EXPENSE OVER REVENUE AFTER SPECIAL INITIATIVES</b>	(3,497)	(478)	
<b>BALANCE, end of year</b>	<u>\$ 1,846,986</u>	<u>\$ 1,850,483</u>	



**BOARD OF FUNERAL SERVICES**

**STATEMENT OF CASH FLOWS**

Year ended October 31, 2006

			<b>Comparative 2005</b>
<b>CASH PROVIDED FROM OPERATIONS</b>			
Excess of expense over revenue after special initiatives	\$ (3,497)	\$ (478)	
Items not affecting working capital:			
Amortization	18,687	23,176	
	15,190	22,698	
Net change in non-cash working capital (see below)	22,934	12,687	
<b>Cash provided by operations</b>	<b>38,124</b>	<b>35,385</b>	
<b>CASH USED IN INVESTING ACTIVITIES</b>			
Capital asset additions	(37,719)	(9,872)	
Increase in cash	405	25,513	
Cash at beginning of year	2,044,748	2,019,235	
<b>CASH AT END OF YEAR</b>	<b>\$ 2,045,153</b>	<b>\$ 2,044,748</b>	
<b>Cash at end of year represented by:</b>			
Cash	\$ 19,350	\$ 14,929	
Investments	2,025,803	2,029,819	
	\$ 2,045,153	\$ 2,044,748	
<b>NET CHANGE IN NON-CASH WORKING CAPITAL</b>			
Increase (decrease) in:			
Current assets:			
Sundry receivables	\$ 4,893	\$ (11,603)	
Prepaid expense	8,713	4,919	
	13,606	(6,684)	
Current liabilities:			
Accounts payable and accrued liabilities	57,361	630	
Deferred licence fee revenue	(20,821)	5,373	
	36,540	6,003	
<b>NET DECREASE IN NON-CASH WORKING CAPITAL</b>	<b>\$ (22,934)</b>	<b>\$ (12,687)</b>	



# BOARD OF FUNERAL SERVICES

## NOTES TO FINANCIAL STATEMENTS

Year ended October 31, 2006

### 1. MISSION

The mission of the Board of Funeral Services (the 'Board') is to regulate the provision of funeral services and transfer services in accordance with the *Funeral Directors and Establishments Act* (the 'Act') in order that the public interest may be served and protected.

#### Corporate Goals and Values:

- Protecting the interests of the consumers of Ontario by establishing, implementing, and maintaining high standards of practice, professional expertise and ethics in the provision of funeral services and transfer services in accordance with the Act;
- Supplying information to consumers about their rights;
- Developing, implementing and evaluating an ongoing plan to effectively accomplish the goals and objectives of the Board;
- Developing and implementing educational programs for funeral service and transfer service providers;
- Consulting with stakeholders in order to ensure their needs and interests are identified;
- Developing recommendations to the Government on legislation, regulation, policy and practices.

The Minister of Government Services retains responsibility for Ontario's consumer protection legislation and regulation and oversees the quality of services provided by the Board.

The Compensation Fund Committee manages the affairs of the Prepaid Funeral Services Compensation Fund that was established under the *Funeral Directors and Establishments Act, 1989*.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Amortization

Amortization on furniture and equipment is provided on the straight-line basis using a 10% annual rate. Leasehold alterations are written off over the term of the lease.

#### Deferred licence fee revenue

Deferred licence fee revenue represents the prepaid portion of fees that pertain to the last two months of the calendar year and any 2007 fees collected.

#### Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

#### Revenue recognition

Fee revenue is recognized when received.

3. INVESTMENTS - Market value \$ 1,995,739 (2005 - \$ 2,042,413)	Comparative	2005
Canada Bond - 5.082%, maturing June 1, 2008	\$ .	\$ 1,213,455
Canada Bond - 3.958%, maturing March 15, 2009	458,939	441,568
Bank of Nova Scotia - 3.722%, maturing November 5, 2007	510,176	-
Citigroup Finance Canada - 3.49%, maturing September 28, 2008	499,305	-
Manulife Savings Bank Fund - 181,984.290 units	181,984	-
Province of Ontario - 4.407%, maturing December 2, 2006	173,280	172,659
Toronto Dominion Bank - 5%, maturing February 14, 2007	202,119	-
Toronto Dominion Bank - 5%, matured February 14, 2006	-	202,137
	<u>\$ 2,025,803</u>	<u>\$ 2,029,819</u>

All investment transactions were made within the scope of the Board's by-laws.

**BOARD OF FUNERAL SERVICES****NOTES TO FINANCIAL STATEMENTS CONT'D**

Year ended October 31, 2006

**4. SUNDY RECEIVABLES**

	<b>Comparative 2005</b>	
Ministry of Government Services - reimbursement	\$ 5,057	\$ 2,187
Compensation Fund	8,683	6,660
	<u>\$ 13,740</u>	<u>\$ 8,847</u>

**5. LEASE COMMITMENTS**

Office space is leased under a long-term agreement expiring September 1, 2011. Autos, which are leased for the inspectors, have lease expiry dates of April 2008. Future minimum rental payments under the leases with expiry dates of one year or more consisted of the following at October 31, 2006:

2007	\$ 78,041
2008	68,553
2009	55,269
2010	55,269
2011 and thereafter	43,686
	<u>\$ 300,818</u>

**6. SPECIAL INITIATIVES**

	<b>Comparative 2005</b>	
Computer - data base consultant	\$ 138,961	\$ 32,382
Education Review	1,676	345
Labour Mobility Forum expense - Competency Profile	1,750	1,206
Legal - Official Marks	-	-
Long Range Planning	146	52
Public relations	18,750	10,304
Public relations - Loss, Grief & Growth Project	-	21,000
Salaries	-	6,600
Web site	776	1,035
	<u>\$ 162,059</u>	<u>\$ 72,924</u>

The Excess of Expense over Revenue of \$3,497 (2005: \$478) is a direct result of the Board's decision to draw on its surplus for these planned budgeted initiatives.

**7. FINANCIAL INSTRUMENTS****Fair Value**

The Board's financial instruments include cash, sundy receivables, investments, accounts payable and accrued liabilities. The fair value of all financial instruments, other than investments, approximate their carrying values. The value of investments at October 31, 2006 was \$1,995,739.



**PREPAID FUNERAL SERVICES COMPENSATION FUND**  
 (Under the *Funeral Directors and Establishments Act, 1989*)

**BALANCE SHEET**  
 October 31, 2006

**Comparative  
2005**

**ASSETS**

**Current assets:**

Cash:			
Toronto Dominion Bank	\$ 15,593	\$ 2,500	
TD Private Client Group	30,059	12,624	
Investment income receivable	7,937	7,089	
	53,589	22,213	

**Investments - at cost (Note 3)**

1,854,732	1,828,465
<b>\$ 1,908,321</b>	<b>\$ 1,850,678</b>

**LIABILITIES**

**Current liabilities:**

Accrued trust administration fee	\$ 1,875	\$ 1,551	
Accrued administration costs	7,034	6,401	
Accrued audit fee	2,500	2,500	
Sales tax and sundry	533	259	
	11,942	10,711	

**Surplus**

1,896,379	1,839,967
<b>\$ 1,908,321</b>	<b>\$ 1,850,678</b>

**STATEMENT OF REVENUE AND EXPENSE**

Year ended October 31, 2006

**Comparative  
2005**

**Revenue:**

Initial payments	\$ 6,662	\$ 3,240	
Capital gains	-	-	
Interest and dividend income	74,632	69,906	
Other income	5,894	2,000	
	87,188	75,146	

**Expense:**

Administration costs	7,034	6,401	
Bank charges	-	-	
Prepaid funds compensated	-	5,366	
Professional fees	2,916	2,916	
Trust administration fees	20,826	19,077	
	30,776	33,760	

**EXCESS OF REVENUE OVER EXPENSE**

\$ 56,412	\$ 41,386
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